



December 15, 2010

Mr. John Slemkewicz,
Public Utility Supervisor
Electric and Gas Accounting Section
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Dear Mr. Slemkewicz:

Pursuant to Commission Rule 25-6.1352, enclosed please find Progress Energy Florida, Inc.'s Rate of Return report for the twelve months ended October 31, 2010.

The report includes the Company's actual rate of return computed on an end-of-period rate base, the Company's adjusted rate of return computed on an average rate base, the Company's end-of-period required rates of return, and certain financial integrity indicators for the twelve months ended October 31, 2010. The separation factors used for the jurisdictional amounts were developed from the cost of service prepared in compliance with Docket No. 090079-EI, Order No. PSC-10-0131-FOF-EI.

If you have any questions, please feel free to contact Cindy Lee at (727) 820-5535.

Sincerely,

Will Garrett
Controller, Progress Energy Florida

dc
Attachment
xc: Mr. J. R. Kelly, Office of the Public Counsel

10 DEC 15 PM 12:43
REGULATION

**PROGRESS ENERGY FLORIDA
Rate of Return Report Summary
October 2010**

	(1) Actual Per Books	(2) FPSC Adjustments	(3) FPSC Adjusted	(4) Pro Forma Adjustments	(5) Pro Forma Adjusted
I. Average Rate of Return (Jurisdictional)					
Net Operating Income (a) (b)	\$551,870,849	(\$37,188,616)	\$514,682,233	(\$52,746,623)	\$461,935,610
Average Rate Base	\$7,219,378,153	(\$790,631,567)	\$6,428,746,586	\$0	\$6,428,746,586
Average Rate of Return	7.64%		8.01%		7.19%
II. Year End Rate of Return (Jurisdictional)					
Net Operating Income	\$551,870,849	(\$37,188,616)	\$514,682,233	(\$52,746,623)	\$461,935,610
Year End Rate Base	\$7,149,748,500	(\$608,933,669)	\$6,540,814,832	\$0	\$6,540,814,832
Year End Rate of Return	7.72%		7.87%		7.06%

Footnotes

- (a) Column (1) includes AFUDC earnings.
(b) Column (2) includes reversal of AFUDC earnings.

III. Required Rates of Return	Average Capital Structure	End of Period Capital Structure
FPSC Adjusted Basis		
Low Point	7.24%	7.14%
Mid Point	7.72%	7.62%
High Point	8.20%	8.09%
Pro Forma Adjusted Basis		
Low Point	7.24%	7.14%
Mid Point	7.72%	7.62%
High Point	8.20%	8.09%

IV. FINANCIAL INTEGRITY INDICATORS

A. T.I.E. with AFUDC	3.73	(System Per Books Basis)
B. T.I.E. without AFUDC	3.53	(System Per Books Basis)
C. AFUDC to Net Income	11.38%	(System Per Books Basis)
D. Internally Generated Funds	91.77%	(System Per Books Basis)
E. STD/LTD to Total Investor Funds		
LT Debt-Fixed to Total Investor Funds	46.55%	(FPSC Adjusted Basis)
ST Debt to Total Investor Funds	0.00%	(FPSC Adjusted Basis)
F. Return on Common Equity	11.11%	(FPSC Adjusted Basis)
	9.40%	(Pro Forma Adjusted Basis)
G. Current Allowed AFUDC Rate	7.44%	Docket 100134-EI Order PSC-10-0258-PCO-EI

I am aware that Section 837-06, Florida Statutes, provides:

Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084


Will Garrett, Controller Progress Energy Florida

12/10/10
Date

PROGRESS ENERGY FLORIDA
Average Rate of Return - Rate Base
October 2010

	Plant In Service	Accum Depr & Amort	Net Plant In Service	Future Use & Apprd Unrecov Plant	Const Work in Progress	Nuclear Fuel (Net)	Net Utility Plant	Working Capital	Total Average Rate Base
System Per Books	\$12,600,305,136	\$4,743,882,349	\$7,856,422,788	\$35,662,723	\$1,148,349,534	\$169,258,085	\$9,209,693,130	\$55,188,323	\$9,264,881,453
Less Recoverable:									
ARO	30,421,235	(17,412,766)	47,834,000	0	0	0	47,834,000	(396,793,089)	(348,959,089)
ECCR	1,407,341	607,100	800,241	0	1,551,266	0	2,351,507	5,366,112	7,717,619
ECR	992,909,868	15,213,856	977,696,013	0	587,507	0	978,283,519	3,101,999	981,385,518
FUEL	32,738,780	30,274,927	2,463,853	0	0	0	2,463,853	131,674,066	134,137,910
NUCLEAR	0	0	0	0	0	0	0	212,295,776	212,295,776
Regulatory Base - System	\$11,542,827,912	\$4,715,199,232	\$6,827,628,680	\$35,662,723	\$1,146,210,762	\$169,258,085	\$8,178,760,250	\$99,543,469	\$8,278,303,719
Regulatory Base - Retail	\$10,341,155,710	\$4,301,387,956	\$6,039,767,754	\$26,326,579	\$1,016,472,773	\$132,941,247	\$7,215,508,353	\$3,869,800	\$7,219,378,153
FPSC Adjustments									
CWIP - AFUDC	0	0	0	0	(793,391,399)	0	(793,391,399)	0	(793,391,399)
CAPITAL LEASE	(212,745,559)	0	(212,745,559)	0	0	0	(212,745,559)	213,219,114	473,556
NUC. DECOM. UNFUNDED - WHOLESale	0	(2,286,276)	2,286,276	0	0	0	2,286,276	0	2,286,276
Total FPSC Adjustments	(212,745,559)	(2,286,276)	(210,459,283)	0	(793,391,399)	0	(1,003,850,682)	213,219,114	(790,631,567)
FPSC Adjusted	\$10,128,410,151	\$4,299,101,680	\$5,829,308,471	\$26,326,579	\$223,081,374	\$132,941,247	\$6,211,657,671	\$217,088,914	\$6,428,746,586

PROGRESS ENERGY FLORIDA
Average Rate of Return - Income Statement
October 2010

System Per Books (a)	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$5,250,752,970	\$2,786,156,431	\$864,268,617	\$294,881,293	\$359,255,796	(\$3,341,325)	\$279,581,017	(\$2,045,998)	\$0	\$4,578,745,833	\$872,007,137
Less Recoverable:											
ARO	0	0	0	0	0	0	0	0	0	0	0
ECCR	91,851,529	0	90,039,589	265,064	31,581	372,315	0	0	0	90,738,528	943,000
ECRC	212,176,544	0	51,151,395	50,988,925	10,859,871	28,327,767	0	0	0	140,427,967	71,748,577
FUEL	2,531,541,686	2,737,356,138	0	642,740	1,703,319	(56,922,241)	0	0	0	2,680,779,957	(149,238,270)
NUCLEAR	247,398,907	0	4,910,684	(8,435,654)	283,061	70,846,780	0	0	0	67,704,881	179,694,027
SCRC	3,090	0	2,398	0	1	198	0	0	0	2,593	498
Regulatory Base - System	\$2,187,951,214	\$48,800,293	\$716,164,563	\$262,290,208	\$346,387,963	(\$44,065,142)	\$279,581,017	(\$2,045,998)	\$0	\$1,899,091,906	\$688,893,308
Regulatory Base - Retail	\$1,936,567,160	\$23,501,141	\$681,952,913	\$215,665,036	\$332,286,436	(\$37,120,616)	\$246,427,446	(\$1,803,780)	\$0	\$1,430,911,705	\$506,635,456
FPSC Adjustments											
CORPORATE AIRCRAFT ALLOCATION	0	0	(3,167,229)	0	0	1,229,474	0	0	0	(1,937,755)	1,937,755
FRANCHISE FEE & GROSS REC TAX REVENUE	(226,095,564)	0	0	0	0	(87,216,364)	0	0	0	(67,216,364)	(138,879,200)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(226,133,847)	87,231,170	0	0	0	(138,902,777)	138,902,777
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	890,871	0	0	(2,309,711)	(1,418,740)	1,418,740
INST. PROMOTIONAL ADVERTISING	0	0	(2,059,589)	0	0	794,480	0	0	0	(1,265,109)	1,265,109
INTEREST ON TAX DEFICIENCY	0	0	1,416,202	0	0	(546,300)	0	0	0	869,902	(869,902)
MISCELLANEOUS INTEREST EXPENSE	0	0	118,033	0	0	(45,840)	0	0	0	72,993	(72,993)
REMOVE ASSOCIATION DUES	0	0	(210,850)	0	0	81,258	0	0	0	(129,592)	129,592
REMOVE ECONOMIC DEVELOPMENT	0	0	(11,617)	0	0	4,558	0	0	0	(7,258)	7,258
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(11,776,115)	0	0	0	(11,776,115)	11,776,115
SEBRING - RIDER REVENUE	(849)	0	0	0	0	(329)	0	0	0	(329)	(329)
DIRECTORS & OFFICERS PREMIUM	0	0	(1,555,075)	0	0	589,870	0	0	0	(965,205)	965,205
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	7,545,956	0	0	0	7,545,956	(7,545,956)
Total FPSC Adjustments	(226,095,413)	0	(5,489,335)	0	(226,133,847)	(1,210,198)	0	0	(2,309,711)	(236,143,191)	9,046,776
FPSC Adjusted	\$1,710,456,747	\$23,501,141	\$646,463,678	\$215,665,036	\$106,154,488	(\$38,330,713)	\$246,427,446	(\$1,803,780)	(\$2,309,711)	\$1,195,768,614	\$614,642,233
Pro Forma Adjustments											
Weather Normalization	(85,871,569)	0	0	0	0	(33,124,965)	0	0	0	(33,124,965)	(52,746,823)
Total Pro Forma Adjustments	(85,871,569)	0	0	0	0	(33,124,965)	0	0	0	(33,124,965)	(52,746,823)
Pro Forma Adjusted	\$1,624,575,159	\$23,501,141	\$646,463,678	\$215,665,036	\$106,154,488	(\$71,455,678)	\$246,427,446	(\$1,803,780)	(\$2,309,711)	\$1,162,643,649	\$461,935,610

Footnotes:
(a) The addition of earnings from AFUDC charges would increase the system NOI by \$52,231,579 and Jurisdictional NOI by \$46,235,384

System Per Books (a)	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$413,968,747	\$208,491,827	\$90,074,688	\$41,689,336	\$29,333,255	(\$15,947,365)	\$28,757,257	(\$128,833)	\$0	\$372,250,187	\$41,718,549
Less Recoverable:											
ARO	0	0	0	0	0	0	0	0	0	0	0
ECRC	7,704,742	0	7,553,926	24,787	3,120	47,412	0	0	0	7,629,245	75,497
ECRC	18,491,123	0	3,950,546	3,665,803	1,145,168	3,781,770	0	0	0	12,453,269	6,037,834
FUEL	204,414,585	205,411,661	64,274	64,274	137,760	(462,576)	0	0	0	205,151,149	(736,565)
NUCLEAR	17,283,002	0	262,597	12,315,968	19,826	1,799,374	0	0	0	14,397,785	2,865,237
SCRC	(10)	0	0	0	0	(4)	0	0	0	(4)	(6)
System Per Books Excluding AFUDC Earnings and Recoverable	\$166,998,325	\$3,060,166	\$68,307,827	\$26,698,526	\$28,027,361	(\$21,123,340)	\$28,767,267	(\$128,833)	\$0	\$132,618,763	\$35,476,672
Jurisdictional Per Books Excluding AFUDC Earnings and Recoverable	\$149,142,709	\$409,462	\$62,643,901	\$22,211,860	\$26,897,659	(\$17,517,462)	\$25,948,947	(\$113,679)	\$0	\$119,680,677	\$29,462,032

Current Month

PROGRESS ENERGY FLORIDA
Average Rate of Return - Adjustments
October 2010

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$886,905,751)	(\$793,391,399)
(2)	CAPITAL LEASE-EPS	F	(212,745,559)	(212,745,559)
(2)	CAPITAL LEASE-WORKING CAPITAL	F	213,219,114	213,219,114
(1)	NUC. DECOM. UNFUNDED - WHOLESALE	F	2,286,276	2,286,276
	Total		(\$884,145,919)	(\$790,631,567)

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
(2)	CORPORATE AIRCRAFT ALLOCATION	F	(\$3,634,572)	\$1,402,036	(\$3,187,229)	\$1,229,474
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	226,095,564	(87,216,364)	226,095,564	(87,216,364)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(226,133,947)	87,231,170	(226,133,947)	87,231,170
(1)	GAIN/LOSS ON SALE OF PLANT	F	(3,080,331)	1,188,238	(2,309,711)	890,971
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,348,674)	906,001	(2,059,599)	794,490
(1)	INTEREST ON TAX DEFICIENCY	F	1,585,609	(611,649)	1,416,202	(546,300)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	163,995	(63,261)	118,833	(45,840)
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(11,817)	4,558	(11,817)	4,558
(2)	PARENT DEBT ADJUSTMENT	F	0	(19,377,688)	0	(11,779,115)
(1)	SEBRING - RIDER REVENUE	F	849	(328)	849	(328)
(2)	DIRECTORS & OFFICERS PREMIUM	F	(1,555,075)	599,870	(1,555,075)	599,870
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	20,702,226	0	7,545,956
	Total		(\$9,158,614)	\$4,857,474	(\$7,836,580)	(\$1,210,198)

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI

PROGRESS ENERGY FLORIDA
End of Period - Income Statement
October 2010

	Operating Revenues	Fuel & Net Interchange	O&M Other	Depr & Amort	Taxes Other than Income	Income Taxes Current	Deferred Income Tax (Net)	Investment Tax Credit (Net)	Gain/Loss on Disposition & Other	Total Operating Expenses	Net Operating Income
System Per Books (a)	\$5,250,752,970	\$2,786,156,431	\$864,268,617	\$294,881,293	\$359,265,796	(\$3,341,325)	\$279,561,017	(\$2,045,996)	\$0	\$4,578,745,833	\$672,007,137
Less Recoverable:											
ARO	0	0	0	(0)	0	0	0	0	0	(0)	0
ECR	91,681,529	0	90,039,569	295,064	31,581	372,315	0	0	0	90,738,529	943,000
ECRC	212,176,544	0	51,151,395	50,088,935	10,859,871	28,327,767	0	0	0	140,427,967	71,748,577
FUEL	2,531,541,686	2,737,356,138	0	642,740	1,703,319	(58,922,241)	0	0	0	2,680,779,957	(149,238,270)
NUCLEAR	17263001.92	0	4,910,694	12,315,968	283,061	70,946,780	0	0	0	88,456,503	(71,193,501)
SCRC	3,090	0	2,395	0	1	196	0	0	0	2,593	496
Regulatory Base - System	\$2,398,087,119	\$48,800,293	\$718,164,563	\$231,538,585	\$346,387,963	(\$44,066,142)	\$279,561,017	(\$2,045,996)	\$0	\$1,578,340,284	\$819,746,835
Regulatory Base - Retail	\$1,936,547,160	\$23,501,141	\$651,952,913	\$215,666,036	\$332,288,435	(\$37,120,515)	\$246,427,445	(\$1,803,750)	\$0	\$1,430,911,705	\$505,635,455
FPSC Adjustments											
CORPORATE AIRCRAFT ALLOCATION	0	0	(3,187,229)	0	0	1,229,474	0	0	0	(1,957,755)	1,957,755
FRANCHISE FEE & GROSS REC TAX REVENUE	(226,095,564)	0	0	0	0	(87,216,364)	0	0	0	(87,216,364)	(138,879,200)
FRANCHISE FEES & GROSS REC TAX - TOI	0	0	0	0	(226,133,947)	87,231,170	0	0	0	(136,902,777)	138,902,777
GAIN/LOSS ON SALE OF PLANT	0	0	0	0	0	890,971	0	0	(2,309,711)	(1,418,740)	1,418,740
INST./PROMOTIONAL ADVERTISING	0	0	(2,059,599)	0	0	794,490	0	0	0	(1,265,109)	1,265,109
INTEREST ON TAX DEFICIENCY	0	0	1,416,202	0	0	(546,300)	0	0	0	869,902	(869,902)
MISCELLANEOUS INTEREST EXPENSE	0	0	1,18,833	0	0	(45,840)	0	0	0	72,993	(72,993)
REMOVE ASSOC/ORGANIZATION DUES	0	0	(210,650)	0	0	81,258	0	0	0	(129,392)	129,392
REMOVE DEFERRED TAX AFUDC DEBT	0	0	0	0	0	0	0	0	0	0	0
REMOVE ECONOMIC DEVELOPMENT	0	0	(11,817)	0	0	4,558	0	0	0	(7,258)	7,258
PARENT DEBT ADJUSTMENT	0	0	0	0	0	(11,779,115)	0	0	0	(11,779,115)	11,779,115
SEBRING - RIDER REVENUE	(849)	0	(1,555,075)	0	0	(328)	0	0	0	(328)	(522)
DIRECTORS & OFFICERS PREMIUM	0	0	0	0	0	599,870	0	0	0	(955,205)	955,205
INTEREST SYNCHRONIZATION - FPSC	0	0	0	0	0	7,545,956	0	0	0	7,545,956	(7,545,956)
Total FPSC Adjustments	(226,096,413)	0	(5,489,335)	0	(226,133,947)	(1,210,198)	0	0	(2,309,711)	(235,143,191)	9,046,778
FPSC Adjusted	\$1,710,450,747	\$23,501,141	\$646,463,578	\$215,666,036	\$106,154,488	(\$38,330,713)	\$246,427,445	(\$1,803,750)	(\$2,309,711)	\$1,195,768,514	\$514,682,233

Footnotes:

(a) The addition of earnings from AFUDC charges would increase the system NOI by \$52,231,579 and Jurisdictional NOI by \$46,235,394

PROGRESS ENERGY FLORIDA
End of Period Rate of Return - Adjustments
October 2010

Notes	Rate Base Adjustments	P=Pro Forma F=FPSC	System	Retail
(1)	CWIP - AFUDC	F	(\$688,910,353)	(\$616,862,259)
(2)	CAPITAL LEASE	F	213,219,114	213,219,114
(2)	CAPITAL LEASE	F	207,963,235	207,963,235
(1)	NUC. DECOM. UNFUNDED - WHOLESALE	F	2,286,276	2,286,276
	Total		(\$265,441,728)	(\$193,393,634)

Notes	Income Statement Adjustments (to NOI)	P=Pro Forma F=FPSC	System		Retail	
			Amount	Income Tax Effect	Amount	Income Tax Effect
(2)	CORPORATE AIRCRAFT ALLOCATION	F	(\$3,634,572)	\$1,402,036	(\$3,187,229)	\$1,229,474
(1)	FRANCHISE FEE & GROSS REC TAX REVENUE	F	226,095,564	(87,216,364)	226,095,564	(87,216,364)
(1)	FRANCHISE FEES & GROSS REC TAX - TOI	F	(226,133,947)	87,231,170	(226,133,947)	87,231,170
(1)	GAIN/LOSS ON SALE OF PLANT	F	(3,080,331)	1,188,238	(2,309,711)	890,971
(1)	INST./PROMOTIONAL ADVERTISING	F	(2,348,674)	906,001	(2,059,599)	794,490
(1)	INTEREST ON TAX DEFICIENCY	F	1,585,609	(611,649)	1,416,202	(546,300)
(1)	MISCELLANEOUS INTEREST EXPENSE	F	163,995	(63,261)	118,833	(45,840)
(1)	REMOVE ASSOC/ORGANIZATION DUES	F	(240,216)	92,663	(210,650)	81,258
(1)	REMOVE ECONOMIC DEVELOPMENT	F	(11,817)	4,558	(11,817)	4,558
(2)	PARENT DEBT ADJUSTMENT	F	0	(19,377,688)	0	(11,779,115)
(1)	SEBRING - RIDER REVENUE	F	849	(328)	849	(328)
(2)	STORM COSTS 2004	F	(1,555,075)	599,870	(1,555,075)	599,870
(1)	INTEREST SYNCHRONIZATION - FPSC	F	0	20,702,226	0	7,545,956
	Total		(\$9,158,614)	\$4,857,474	(\$7,836,580)	(\$1,210,198)

Notes: (1) Docket No. 910890-EI, Order No. PSC 92-0208-FOF-EI
(2) Docket No. 090079-EI, Order No. PSC 10-0131-FOF-EI

PROGRESS ENERGY FLORIDA
Average Rate of Return - Capital Structure
Pro Forma Adjusted Basis
October 2010

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,618,107,290	\$194,697,630	(\$902,593,022)	\$3,910,211,898	\$3,085,113,281	47.99% ***	9.50%	4.56%	10.50%	5.04%	11.50%	5.52%
Preferred Stock	33,496,700		(6,281,968)	27,214,732	21,472,118	0.33%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,245,391,713	(25,289,769)	(791,437,557)	3,428,664,387	2,705,177,702	42.08%	5.94%	2.50%	5.94%	2.50%	5.94%	2.50%
Short Term Debt *	74,840,013	(74,840,013)	-	-	-	0.00%	0.29%	0.00%	0.29%	0.00%	0.29%	0.00%
Customer Deposits												
Active	200,000,679		(37,508,110)	162,492,569	162,492,569	2.53%	6.25%	0.16%	6.25%	0.16%	6.25%	0.16%
Inactive	1,289,503		(241,833)	1,047,670	1,047,670	0.02%						
Investment Tax Credit												
Post '70 Total Equity **	6,501,532		(1,219,297)	5,282,236								
Debt **												
Deferred Income Taxes	797,309,813	95,868,021	(167,506,494)	725,671,340	2,227,737	0.03%	9.23%	0.00%	10.20%	0.00%	11.16%	0.00%
FAS 109 DIT - Net	(192,303,756)		36,064,630	(156,239,126)	(123,270,916)	-1.92%	5.79%	0.00%	5.79%	0.00%	5.79%	0.00%
Total	\$9,784,633,489	\$190,435,869	(\$1,870,723,653)	\$8,104,345,705	\$6,428,746,586	100.00%		7.24%		7.72%		8.20%

* Daily Weighted Average

**Cost Rates Calculated Per IRS Ruling

***Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

49.81%

PROGRESS ENERGY FLORIDA
End of Period - Capital Structure
Pro Forma Adjusted Basis
October 2010

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,861,102,962	(\$4,293,003)	(\$717,170,930)	\$4,139,639,029	\$3,099,963,755	47.39% ***	9.50%	4.50%	10.50%	4.98%	11.50%	5.45%
Preferred Stock	33,496,700		(4,946,222)	28,550,478	21,379,982	0.33%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,203,307,427		(620,672,812)	3,582,634,615	2,682,851,663	41.02%	6.00%	2.46%	6.00%	2.46%	6.00%	2.46%
Short Term Debt *	8,208,972	(8,208,972)	-	(0)	0	0.00%	0.29%	0.00%	0.29%	0.00%	0.29%	0.00%
Customer Deposits												
Active	207,104,271		(30,581,629)	176,522,641	176,522,641	2.70%	6.26%	0.17%	6.26%	0.17%	6.26%	0.17%
Inactive	1,285,371		(189,802)	1,095,570	1,095,570	0.02%						
Investment Tax Credit												
Post '70 Total	5,672,182		(837,571)	4,834,610								
Equity **					1,946,952	0.03%	10.45%	0.00%	11.54%	0.00%	12.64%	0.00%
Debt **					1,673,440	0.03%	6.62%	0.00%	6.62%	0.00%	6.62%	0.00%
Deferred Income Taxes	961,399,879	106,737,821	(157,724,373)	910,413,327	681,761,935	10.42%						
FAS 109 DJT - Net	(198,005,240)		29,238,040	(168,767,201)	(126,381,117)	-1.93%						
Total	\$10,083,572,523	\$94,235,846	(\$1,502,885,300)	\$8,674,923,070	\$6,540,814,832	100.00%		7.14%		7.62%		8.09%

* Daily Weighted Average

**Cost Rates Calculated Per IRS Ruling

***Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

41.92%

PROGRESS ENERGY FLORIDA
Average Rate of Return - Capital Structure
FPSC Adjusted Basis
October 2010

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,618,107,290	\$194,697,630	(\$902,593,022)	\$3,910,211,898	\$3,085,113,281	47.99% ***	9.50%	4.56%	10.50%	5.04%	11.50%	5.52%
Preferred Stock	33,496,700	(6,281,968)		27,214,732	21,472,118	0.33%	4.51%	0.02%	4.51%	0.02%	4.51%	0.02%
Long Term Debt - Fixed	4,245,391,713	(25,289,769)	(791,437,557)	3,428,664,387	2,705,177,702	42.08%	5.94%	2.50%	5.94%	2.50%	5.94%	2.50%
Short Term Debt *	74,840,013	(74,840,013)	-	-	-	0.00%	0.29%	0.00%	0.29%	0.00%	0.29%	0.00%
Customer Deposits												
Active	200,000,679		(37,508,110)	162,492,569	162,492,569	2.53%	6.25%	0.16%	6.25%	0.16%	6.25%	0.16%
Inactive	1,289,503		(241,833)	1,047,670	1,047,670	0.02%						
Investment Tax Credit												
Post '70 Total	6,501,532		(1,219,297)	5,282,236								
Equity **					2,227,737	0.03%	9.23%	0.00%	10.20%	0.00%	11.16%	0.00%
Debt **					1,939,887	0.03%	5.79%	0.00%	5.79%	0.00%	5.79%	0.00%
Deferred Income Taxes	797,309,813	95,868,021	(167,506,494)	725,671,340	572,546,538	8.91%						
FAS 109 DIT - Net	(192,303,756)		36,054,630	(156,239,126)	(123,270,916)	-1.92%						
Total	\$9,784,633,489	\$190,435,869	(\$1,870,723,653)	\$8,104,345,705	\$6,428,746,586	100.00%		7.24%		7.72%		8.20%

* Daily Weighted Average

**Cost Rates Calculated Per IRS Ruling

***Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

42.37%

PROGRESS ENERGY FLORIDA
End of Period - Capital Structure
Adjusted Basis
October 2010

	System Per Books	Specific Adjustments	Pro Rata Adjustments	System Adjusted	FPSC Adjusted Retail	Ratio	Low Point		Mid Point		High Point	
							Cost Rate	Weighted Cost	Cost Rate	Weighted Cost	Cost Rate	Weighted Cost
Common Equity	\$4,861,102,962	(\$4,293,003)	(\$717,170,930)	\$4,139,639,029	\$3,099,963,755	47.39% ***	9.50%	4.50%	10.50%	4.98%	11.50%	5.45%
Preferred Stock	33,496,700		(4,946,222)	28,550,478	21,379,992	0.33%	4.51%	0.01%	4.51%	0.01%	4.51%	0.01%
Long Term Debt - Fixed	4,203,307,427	0	(620,672,812)	3,582,634,615	2,682,851,663	41.02%	6.00%	2.46%	6.00%	2.46%	6.00%	2.46%
Short Term Debt *	8,208,972	(8,208,972)	-	(0)	0	0.00%	0.29%	0.00%	0.29%	0.00%	0.29%	0.00%
Customer Deposits												
Active	207,104,271		(30,581,629)	176,522,641	176,522,641	2.70%	6.26%	0.17%	6.26%	0.17%	6.26%	0.17%
Inactive	1,285,371		(189,802)	1,095,570	1,095,570	0.02%						
Investment Tax Credit												
Post '70 Total	5,672,182		(837,571)	4,834,610								
Equity **					1,946,952	0.03%	10.45%	0.00%	11.54%	0.00%	12.64%	0.00%
Debt **					1,673,440	0.03%	6.62%	0.00%	6.62%	0.00%	6.62%	0.00%
Deferred Income Taxes	961,399,879	106,737,821	(157,724,373)	910,413,327	681,761,935	10.42%						
FAS 109 DIT - Net	(198,005,240)		29,238,040	(168,767,201)	(126,381,117)	-1.93%						
Total	\$10,083,572,523	\$94,235,846	(\$1,502,885,300)	\$8,674,923,070	\$6,540,814,832	100.00%		7.14%		7.62%		8.09%

* Daily Weighted Average

**Cost Rates Calculated Per IRS Ruling

***Equity Ratio Including Debt Associated With Qualifying Facilities Contracts (Based on FPSC Capital Structure)

41.92%

PROGRESS ENERGY FLORIDA
Financial Integrity Indicators
October 2010

A: TIMES INTEREST EARNED WITH AFUDC

Earnings Before Interest	\$712,412,054
AFUDC - Debt	\$14,984,679
Income Taxes	\$268,385,702
Total	\$995,782,435
Interest Charges	
(before deducting AFUDC-Debt)	\$267,086,349
T.I.E. with AFUDC	3.73

B: TIMES INTEREST EARNED WITHOUT AFUDC

Earnings Before Interest	\$712,412,054
AFUDC - Equity	(\$37,246,900)
Income Taxes	\$268,385,702
Total	\$943,550,856
Interest Charges	
(before deducting AFUDC-Debt)	\$267,086,349
T.I.E. without AFUDC	3.53

C: PERCENT AFUDC TO NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS

AFUDC - Debt	\$14,984,679
Less: DIT	\$0
Subtotal	\$14,984,679
AFUDC - Other	\$37,246,900
Total AFUDC	\$52,231,579
Net Income Available	
For Common Shareholders	\$458,798,523
Percent AFUDC to Available Net Income	11.38%

D: PERCENT INTERNALLY GENERATED FUNDS

Net Income	\$460,310,383
Common Dividends	(\$50,000,000)
Preferred Dividends	(\$1,511,860)
AFUDC (Debt & ECS Other)	(\$52,231,579)
Depreciation & Amortization	\$298,740,026
Deferred Income Taxes	\$272,865,527
Investment Tax Credits	(\$2,045,996)
Deferred Fuel (Net)	\$105,606,026
Nuclear Fuel Amortization	\$0
Nuclear Refueling	\$11,741,160
Other - Incl Nuclear Decommissioning	(\$3,302,664)
Funds Provided from Operations	\$1,040,171,023
Other Funds Provided -	
Incl Change in Working Capital	\$15,451,609
Total Funds Provided	\$1,055,622,632
Construction Expenditures (excluding AFUDC)	\$1,150,253,391
Percentage Internally Generated Funds	91.77%

E: SHORT TERM DEBT / LONG TERM DEBT AS PERCENT OF TOTAL INVESTOR CAPITAL - FPSC

Common Equity	\$3,085,113,281
Preferred Stock	\$21,472,118
Long Term Debt - Fixed Rate	\$2,705,177,702
Short Term Debt	\$0
Total	\$5,811,763,100
% Long Term Debt - Fixed Rate	46.55%
% Short Term Debt	0.00%

FPSC ADJUSTED AVERAGE JURISDICTIONAL AND PRO FORMA

F: RETURN ON COMMON EQUITY	Pro Forma	FPSC
Average Eamed Rate of Return	7.19%	8.01%
Less Reconciled Average		
Retail Weighted Cost Rates for:		
Preferred Stock	0.02%	0.02%
Long Term Debt - Fixed Rate	2.50%	2.50%
Short Term Debt	0.00%	0.00%
Customer Deposits	0.16%	0.16%
Investment Tax Credit (at Midpoint)		
Equity	0.00%	0.00%
Debt	0.00%	0.00%
Subtotal	2.68%	2.68%
Total	4.51%	5.33%
Divided by Common Equity Ratio	47.99%	47.99%
Jurisdictional Return on Common Equity	9.40%	11.11%